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UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD HOG AND PORK PROSPECTS

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SUMMARY

Hog prices declined further during September in both the United States and Europe. There was also a weaker price tendency in feedstuffs in both producing areas. In Europe, unusually heavy pork production continues, with Germany reporting a record number of hogs on farms as of September 1. After decreasing for several months, slaughter in the United States during September showed an increase over the preceding month and over the corresponding month in 1930.

Conditions in the leading European markets for American pork products were obscured somewhat by exchange conditions resulting from the British departure from the gold standard. Toward the end of September prices in British and German local currencies had a tendency to rise. For the month as a whole, however, there was a general easier tone in the British cured pork market as supplies continued unusually heavy. The volume of United States cured pork exports has been reduced further, with the movement of bacon for the season having lost relatively more ground than the exports of hams. Both European and domestic lard prices during September were slightly higher than in August, but continued substantially below last year's levels. The United Kingdom continued to import large volumes of American lard monthly, but continental countries took unusually small quantities. Despite the larger movement to Great Britain, total United States exports of lard continued at a level much under that of a year ago.

United States

The decline in hog prices which began in early August continued with little interruption through September. The average price of hogs in September at Chicago was $5.41 as compared with $5.98 in August and $9.76 in September last year. Relatively greater declines in the prices of light weight hogs during the month resulted in a material reduction in the spread between the prices of light weight and heavy weight hogs. The price of 180-200 pound good and choice hogs in September averaged about 45 cents higher than the price of heavy hogs weighing 290-350 pounds, as against the average margin of $1.35 in August. The substantial increase in the proportion of the market supplies weighing under 200 pounds has been largely responsible for the greater decline in the price of light weight hogs.

Federally inspected slaughter during September, amounting to 2,955,000 head, was 18.2 per cent greater than that of August and was also 6.6 per cent higher than that of September 1930. For the first time since April, slaughter for the month exceeded that of the corresponding month a year earlier. The average weight of hogs slaughtered during September decreased seasonally with the declining proportion of packing sows and the increasing proportion of spring pigs in the supplies. Most of this decrease in average weight occurred during the last half of the month.

The total number of hogs slaughtered under Federal inspection during the marketing year ended September 30, 1931 was 43,558,000 head, a decrease of 1,985,000 head or 4.4 per cent from the slaughter of the year 1929-30. However, due to an increase in the average live weight of hogs slaughtered, the reduction in total pork produced was not as great as indicated by the decrease in numbers slaughtered.

Hog-feed price relationships did not change materially during September. The decline in hog prices was about offset by a further decline in corn prices. The price of No. 3 Yellow corn at Chicago averaged 41.8 cents per bushel in September as compared with 45.7 cents in August and 94 cents in September last year. The hog-corn ratio for the month was 12.9, about the same as the August ratio of 13.1, but was well above the ratio of 10.4 for September last year.

The unusually warm weather which prevailed during the first 3 weeks of September along with larger slaughter supplies of hogs resulted in declines in the prices of nearly all pork cuts. Prices of most kinds of fresh pork declined until the last week of the month, when there was some recovery. Following the trend in the prices of the different classes of live hogs, there was a marked reduction in the spread between the prices of light and heavy loins. The average price of 8-10 pound loins at New York during September was $19.72 as compared with $24.35 in August and $27.23 in September last year. The price of 16-22 pound loins at the same market averaged $14.67 for the month, while in August it was $14.21 and in September 1930, $18.22. Cured pork prices declined only slightly in September. 12-14 pound regular smoked hams at New York averaged $20.99 during September as against $21.50 in August and $25.75 during the corresponding month of 1930. 8-10 pound No. 1 sweet pickle cured bacon averaged $18.42 during the month as compared to $19.75 in the preceding month and $24.25 in September

a year ago. The price of lard at Chicago advanced during the week ended September 12 from $8.25 per 100 pounds to $9.25 and has remained near that level since that time. The average price for the month was $9.00 as compared with $8.32 in August and $14.25 in September 1930.

Total exports of pork products in August remained much below the level of last year, but there was only a slight decrease from the movement in July. Bacon exports from the United States of 3,272,000 pounds were 29 per cent larger than those of July, but were less than half the August exports of bacon in 1930. Both the United Kingdom and Germany increased their takings of bacon in August, while Cuba took slightly less than in July.

Practically all of the decrease in the total exports of pork products from the United States during August was in hams and shoulders. The August movement of 6,623,000 pounds was 27 per cent under that of July and 39 per cent below that of August last year. Exports to Cuba were above both the preceding month and the corresponding month a year earlier. However, takings of the United Kingdom, the principal importing country for these products, were reduced 30 per cent from July and were 39 per cent below August 1930.

Total lard exports from the United States in August, amounting to 34,510,000 pounds were 2 per cent larger than the July exports, but were 30 per cent below the movement in August a year ago. The reduction in lard exports to the United Kingdom during August of about 4,000,000 pounds was offset by the increase of a similar amount in movement to Germany. Despite this reduction in the lard movement to the United Kingdom from July, August lard exports to that country were 15 per cent greater than those of August last year.

Storage stocks of pork were reduced materially in August, but because of the reduction in exports and the lack of improvement in domestic consumption these stocks remain relatively large as compared with the decreased hog slaughter. Stocks of pork on September 1 amounting to 594,000,000 pounds, were 17 per cent smaller than those of August 1 and 11 per cent smaller than the 5-year September 1 average, but they were 8 per cent greater than those on September 1, 1930. Lard stocks decreased 26,000,000 pounds or 21 per cent during August. The holdings on September 1 of 96,000,000 pounds were 8 per cent larger than at the corresponding date a year earlier, but they were 37 per cent smaller than the 5-year September 1 average.

Canada

Prices of bacon hogs at Toronto continued the downward trend noticed since the last half of July. The average price for the week ended September 24 was $5.59 per 100 pounds, compared with $6.24 for the preceding week. No gains have been made since the sharp decline during the latter part of August. For the four weeks ended September 24, the weekly average price was $6.17 compared with $7.29 for August and an average of $9.07 for July. Last year prices were much higher averaging $12.21 for September, $12.05 for August and $12.22 for July.

During the last two months a considerably larger number of hogs have been graded at stockyards and packing-plants than during the same months of 1930, and sales at stockyards also have shown an increase during the same period over the corresponding period a year earlier.

Gradings for the year 1931 up to September 24, now show an increase of 3 per cent over last year for the same period, having reached 1,175,000. During the earlier part of the year gradings had shown a deficit compared with 1930. Sales at stockyards up to September 24 also show an increase of about 57,000 over the same period last year. The number of hogs slaughtered under inspection for 37 weeks ended September 19 was 1,396,000. For the first nine months of 1930 the number slaughtered was 1,428,000.

United Kingdom

The easier tone of the British bacon market brought the Liverpool average for Danish Wiltshire sides down to $14.64 per 100 pounds for the first three weeks of September, according to cabled advices from Agricultural Attache Foley at London. That figure was nearly $2.00 under the August average and about $5.00 under the average for September, 1930. During the same three weeks of September, American green bellies averaged only $12.64, a new post-war low point for that line. The current figure was nearly $7.50 under the average of September a year ago. American short cut green hams maintained the higher values of the past three months and averaged $18.68 for the September period. That level, however, was about $2.45 below the September 1930 average.

Total bacon imports into the United Kingdom during August reached 106,567,000 pounds, a figure in keeping with the volumes received monthly since last May. Total receipts for eleven months of the current season stand at 1,112,550,000 pounds, which is much larger than imports for any full year on record. The season's total to August 31 was 26.6 per cent larger than for the corresponding period of the 1929-30 season. August receipts from Denmark continued in record volume at 68,094,000 pounds, placing the 1930-31 total to August 31, 33.1 per cent above last season's corresponding total. Continental countries other than Denmark provided the large August imports of 33,287,000 pounds, putting the season's total from those sources to August 31, 50.3 per cent above that of last year. Bacon imports from the United States continued in very moderate volume. August ham imports, most of which come from the United States, were smaller than in either the preceding month or in the same month a year ago.

The firmer Liverpool lard market which developed in September resulted in American prime steam western lard averaging up to $9.57 per 100 pounds for the first three weeks of the month. That figure approaches the levels prevailing last June, but is a decline of $3.60 from the September 1930 average. Lard imports for August, totaling about 25,000,000 pounds, were smaller than in the preceding month, but were considerably larger than last year, as have been the lard imports for most months of the current season. Most of the lard entering British markets comes from the United States. The total for the current season from all sources to August 31 was 9.8 per cent larger than last year.

Mr. H. E. Reed, Meat and Wool Specialist in London for the Foreign Agricultural Service, has submitted some observations on the cured pork trade in London, particularly with respect to cuts and terminology. We quote from a recent letter:

"Wholesalers buy the cured bacon from the importers and smoke it before selling to the retailers. Some is sold in the whole side, but the wholesaler will cut it into the wholesale cuts indicated in Figure 1 (page 7). The price of any particular cut may to some extent govern the way the cut is made and which cuts are slighted in favor of others. The cuts shown in Figure 1 are self-explanatory, but when that part of the fore-end known as the collar (See fig. 2) is included with the part called back bacon, the wholesale cut is called the long back.

"The method of cutting up a Wiltshire side in the retail shops about London may vary somewhat with the trade of any particular shop. However, the most common method employed in this vicinity is as illustrated in the attached Figure 2. A cutter will in all cases cut the side in any way his customer desires. A different method of cutting is employed in northern England.

"The fore-end is cut off from the side by cutting through the second and third ribs. The upper part, known as the collar, is sliced into rashers or sold whole for boiling or use according to taste. (The shoulder blade has of course been removed before curing.)

"The lower part of the fore-end, called the hock or fore-hock is most generally sold in one piece for boiling purposes.

"The ham or gammon is cut off in front of the bone. The whole piece may be sold this way, but frequently the upper part, known as the corner gammon is cut off and sold as one piece. Should the trade desire the ham may be cut off a few inches forward, in which case the upper part is then longer and may be cut into rashers. The lower part, the gammon hock is almost always sold as one piece. Some shops cut the ham into the corner gammon, the middle gammon and the gammon back.

"There seems to be more uniformity about the cutting of the middle than there is of the ends. The middle is split lengthwise, making back bacon and streaky bacon. Since the back bacon is the most valuable there is quite a tendency to cut all possible into the back. The ribs are boned out, one at a time, and the bacon sliced, generally by a slicing machine such as is used in the United States. Some shops weigh the ribs to the customer with the bacon; others discard them and charge accordingly. Sometimes the loin part of the back bacon, called the long loin, is cut off and sold in one piece, or sliced.

The fact that the loin cut contains part of the pelvic bones, which is known in the trade here as the oyster bone, makes it difficult to slice the rear part of this cut. Even when the bone is removed rashers are not as attractive as the rashers from the forward portion of the cut. The belly or streak is sliced. This may be divided into the streak and flank as indicated in Figure 2, or into the thick streak, thin streak and flank.

"The most uniform thing about the method of cutting employed in and around London is that the side is cut to suit the customer's desires. There is little or no trimming of cuts. The only reason I have heard given for trimming is to remove portions spoiled by weather or flies. Even with the mild cure employed on Wiltshires, cured bacon is seldom put in the "cold room" except on the very warmest days. One firm advises that the changing of temperatures from the retail room to the cold room is detrimental to the keeping qualities".

Denmark and Netherlands

Preliminary figures on August bacon exports from Denmark place the total at 66,556,000 pounds. The August total was under that of July but compares favorably with exports of other recent months and with those of August 1930. Total bacon exports for the 1930-31 season to August 31 were 33.2 per cent larger than in the corresponding months of 1929-30. The current eleven months total is larger than for any complete year on record. The bacon movement from the Netherlands continues in unusually large volume, as reflected by imports into the United Kingdom the chief buyer. Netherlands remains the leading continental source of British bacon imports other than Denmark. The August figure for imports from Netherlands reached 12,493,000 pounds, the second largest for any month of the current season and the second largest August figure on record for that item.

Method of cutting Wiltshire sides in London

Wholesale

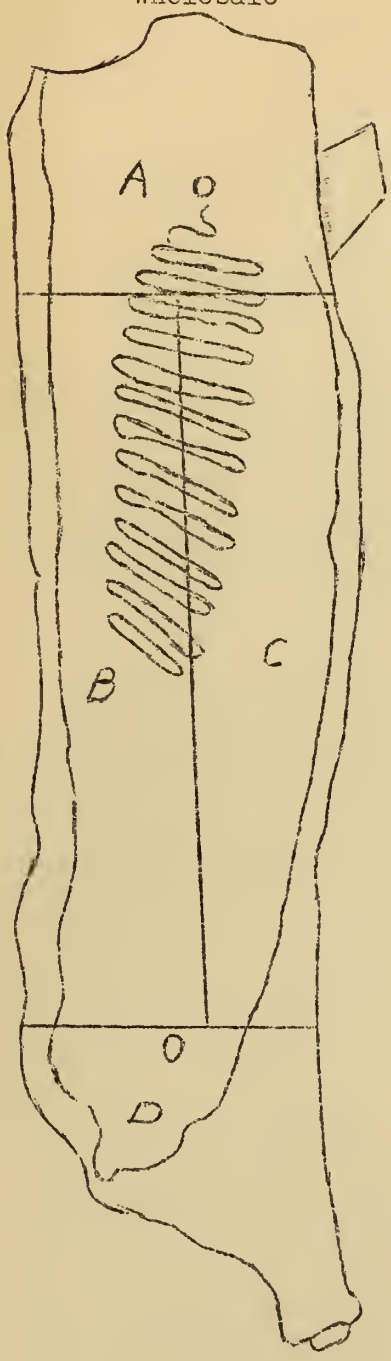

FIG. 1

A. Fore-end
B. Back
C. Streak
D. Gammon

Retail

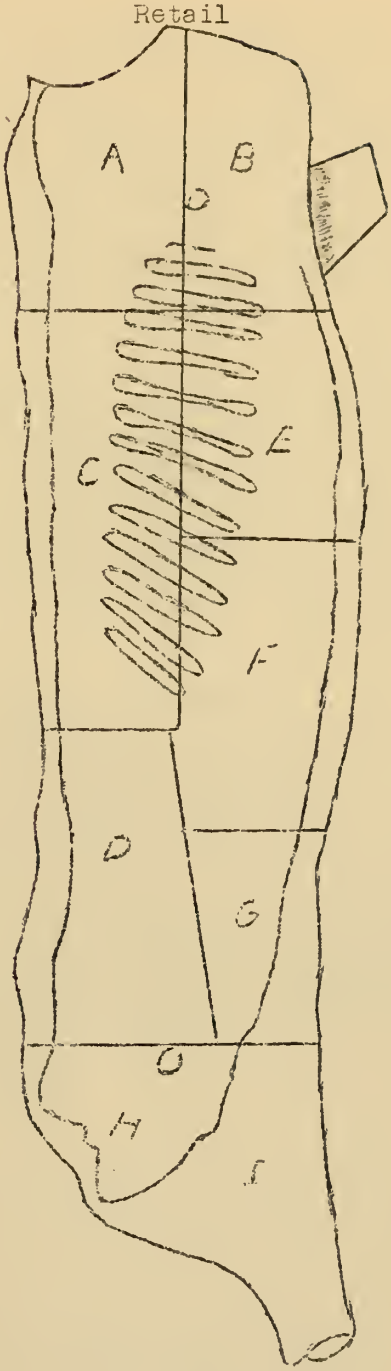

FIG. 2

A. Collar
B. Fore hook
C. Back bacon
D. Long loin
E. Streak (thick)
F. " (thin)
G. Flank
H. Corner gammon
I. Gammon hock

Germany

Hog numbers in Germany on September 1, 1931, were officially estimated at 25,348,000, an increase of 8 per cent over the numbers on the same date in 1930 according to a cable to the Foreign Agricultural Service of the Bureau of Agricultural Economics from Agricultural Attache L. V. Steere at Berlin. In September 1930, the increase over the preceding year was 19 per cent. The total number of hogs in Germany now exceeds any previous record for the same time of year or for any time of year within the same territorial boundaries. The number within pre-war boundaries reached 25,657,000 on December 1, 1913 and 25,341,000 on the same date of 1914.

It was expected by German experts that the peak of the present hog production cycle would be reached by September, and a reduction of 10 per cent in the total number of sows in farrow on September 1, 1931, seems to bear out that expectation. There was a sharp reduction of 38 per cent in younger sows in farrow while those over 1 year showed an increase of 5 per cent. Farrows under 8 weeks and those of 8 weeks to 6 months increased 4 per cent and 12 per cent respectively over the same date a year earlier, while hogs over 6 months, excluding breeding animals increased 11 per cent.

GERMANY: Hog numbers as of September 1, 1929 to 1931

Classification	Sept. 1		
	1929	1930	1931
	Thousands	Thousands	Thousands
Farrows under 8 weeks	5,373	6,518	6,804
Young pigs 8 weeks to 6 months	8,290	9,805	10,980
Hogs 6 months to 1 year - Sows	652	811	569
Other	3,635	4,312	4,822
Hogs 1 year and over - Sows	1,308	1,466	1,661
Other	445	501	512
Total hogs	19,604	23,414	25,348

Compiled from official sources and cable from Agricultural Attache Steere.

The slightly weaker tone of the Berlin hog market in September resulted in an average price for heavy hogs of $11.45 per 100 pounds for the first three weeks of the month, Mr. Steere reports. That figure retained the somewhat higher seasonal level of recent weeks, but was about $1.60 under the September 1930 average. The August average of $11.63 represented a substantial seasonal increase over the July price level. The hog-feed price relationship was improved in August by the advance of hog prices and practically no change in the price of feed barley. A sharp decline in feed potato prices was registered in August.

Hog receipts at 14 markets in September are shown by preliminary figures to have been of about the same volume as the August receipts of 242,000 head. The August receipts were the smallest for any month since November 1926. Total receipts for the season to August 31, however, were 9.5 per cent larger than a year ago. August slaughter of 399,000 head also was low for the current season. Total slaughter so far this season has not yet reached the level gained in 1927-28, but up to August 31, the current season's total was 15.1 per cent larger than at the same time last season. Despite the larger domestic production, German imports of bacon continue larger than last year, the imports coming principally from Netherlands and Denmark. Lard imports for both July and August, however, were less than half the size of last year's corresponding items. The August figure, totaling little more than 5,000,000 pounds, is one of the smallest monthly imports of lard in the post-war period. Takings from the United States have not only been seriously reduced, as compared to last year, but there is a persistent tendency to import increasing quantities from Denmark. Seasonal strengthening of the Hamburg lard market in September brought the average price up to $10.23 per 100 pounds for the first three weeks of the month. That figure was more than $3.50 lower than last year's September average.

Irish Free State

Steps are being taken to establish more firmly the Irish Free State trade in fresh pork, according to Vice Consul E. J. King at Dublin. The bulk of the Irish pork exports are sent to English and Scottish markets during the months September to April. The heaviest shipments occur in the summer with the bulk of the supplies coming from the southwestern counties of the Irish Free State. The business has had a tendency to expand since 1926 when the British Ministry of Agriculture and Fisheries placed a quarantine upon the importing of all fresh meat from the Continent of Europe. Irish producers are giving increasing attention to British market requirements in the matter of weight of carcass, condition, slaughter, and packing methods.

HOGS AND PORK PRODUCTS: Indices of foreign supplies and demand

Country and item	Unit	1909-10 to 1913-14: average	1924-25 to 1928-29: average	Oct. - Aug. 1927-28	1928-29	1929-30	1930-31
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	546:	551:	587:	651:	531:	585
Supplies, domestic fresh pork, London	1000 pounds.		49,475:	72,951:	69,601:	55,142:	64,092
Imports -							
Bacon -							
Denmark	"	225,518:	481,397:	567,159:	503,922:	561,361:	746,576
Irish F.State	"		48,947:	52,491:	56,369:	39,776:	27,288
United States	"	169,365:	97,473:	60,049:	62,893:	58,122:	23,703
Canada	"	58,920:	70,368:	38,045:	21,910:	14,174:	2,592
Others	"	39,755:	150,552:	203,039:	214,594:	205,796:	311,146
Total	"	473,548:	828,757:	925,383:	859,588:	879,229:	1,112,550
Ham, total	"	89,072:	117,992:	99,784:	102,184:	109,322:	85,771
Lard, total	"	198,095:	248,359:	264,410:	260,789:	262,871:	338,733
DENMARK:							
Exports -							
Bacon	"		458,299:	555,517:	497,069:	556,102:	741,178
CANADA:							
Slaughter -							
Hogs, inspected	1000's	1,558:	3,395:	2,423:	2,219:	1,951:	1,783
GERMANY:							
Production -							
Hog receipts							
14 cities	"		2,955:	3,871:	3,302:	3,045:	3,336
Hog slaughter							
36 centers	"	a/ 4,061:	3,677:	4,783:	4,217:	3,949:	4,546
Imports -	1000						
Bacon, total	pounds	a/ 2,411:	15,481:	7,766:	9,959:	15,918:	22,333
Lard, total	"	a/181,568:	200,378:	176,953:	187,950:	190,461:	150,600
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	29,749:	42,700:	44,852:	45,853:	42,769:	40,604
Exports -							
Bacon -	1000						
United Kingdom	pounds	120,385:	60,011:	40,296:	44,969:	46,642:	19,563
Germany	"	1,371:	10,481:	8,585:	6,820:	5,847:	614
Cuba	"	7,421:	18,955:	17,881:	14,397:	14,810:	9,296
Total	"	163,915:	129,010:	112,734:	118,069:	104,198:	38,420
Hams, shoulders							
United Kingdom	"	130,542:	132,172:	100,366:	89,463:	96,352:	69,531
Total	"	151,831:	157,357:	131,475:	112,053:	118,696:	84,305
Lard -							
United Kingdom	"	157,933:	210,059:	218,791:	219,772:	223,315:	248,991
Germany	"	126,440:	172,290:	152,087:	132,085:	155,571:	90,086
Cuba	"	34,883:	73,969:	75,689:	76,452:	71,359:	40,811
Netherlands	"	33,382:	37,210:	31,298:	40,114:	41,344:	21,678
Total	"	430,446:	664,435:	662,435:	750,716:	710,015:	515,611

a/Four-year average only; figures for July, August and September, 1914 not available.

HOGS AND PORK PRODUCTS: Foreign and domestic average price per 100 pounds for the month indicated, and stocks at the end of each month

Item	Aug. 1909-1913 average	Aug. 1925-1929 average	Aug. 1930	July 1931	Aug. 1931
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	8.00	11.04	9.58	6.33	5.98
Corn, Chicago, No. 3 Yellow	1.25	1.76	1.77	1.05	.82
Hogs, heavy, Berlin, live weight	12.31	17.11	14.05	9.59	11.63
Potatoes, Breslau feeding	.33	.62	.60	.63	.29
Barley, Leipzig	1.72	2.11	2.02	1.68	1.68
Lard -					
Chicago	10.89	15.42	12.44	8.65	8.32
Liverpool	12.10	15.58	12.61	9.45	8.80
Hamburg	19.33	16.17	12.72	10.54	10.01
Cured pork -					
Liverpool -					
American short cut green hams	15.70	26.49	22.27	18.33	18.47
American green bellies		22.18	18.36	13.47	13.25
Danish Wiltshire sides	16.60	26.08	a/ 20.43	14.66	16.62
Canadian green sides	15.67	23.28	20.05	b/	b/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		4,988	4,738	3,711	3,426
Lard, refined		10,658	3,158	4,518	5,761
United States -					
Processed pork c/		674,941	550,959	711,811	594,288
Lard in cold storage		158,190	88,868	121,926	95,885

a/ One week only.
b/ No quotation.
c/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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